

**BRUSHWELLMAN**  
ENGINEERED MATERIALS

Brush Wellman Inc.  
67 West 2950 South  
Salt Lake City, UT 84115  
Phone 801/467-5441

*Self Bonding  
Package -  
Refused 12-29-88*

March 8, 1989

HAND DELIVER

**RECEIVED**  
MAR 09 1989

DIVISION OF  
OIL, GAS & MINING

Mr. Lowell P. Braxton, Administrator  
Mineral Resource Development and Reclamation Program  
Utah Division of Oil, Gas & Mining  
355 West North Temple  
3 Triad Center, Suite 350  
Salt Lake City, UT 84180-1203

RE: Reclamation Contract/Final Approval, Notice of Intention to Commence  
Large Mining Operations, Topaz Mining Properties,  
Brush Wellman Inc., M/023/003, Juab County, Utah

Dear Mr. *Lowell* Braxton:

Enclosed is the duly executed Reclamation Contract submitted with your letter of February 3, 1989.

The execution of the Reclamation Contract meets the final stipulation of the Division and I therefore request following execution by the Chairman of the Board of Oil, Gas & Mining, a copy of the document be supplied to Brush Wellman. Additionally, I would appreciate receiving a copy of the Self Bonding and Indemnity Agreement once duly executed by the Chairman of the Board Of Oil, Gas & Mining.

I appreciate the Division's granting of final approval of Brush's Topaz Mine, Notice of Intention and Mining and Reclamation Plan and look forward to a continued good working relationship with the Division.

Sincerely yours,

BRUSH WELLMAN INC.

*Kenneth R. Poulson*  
Kenneth R. Poulson  
Vice President  
Mining & Exploration

KRP/dt

Enclosures

STATE OF UTAH  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING  
355 West North Temple  
3 Triad Center, Suite 350  
Salt Lake City, Utah 84180-1203  
(801) 538-5340

*Replaced 12-29-00  
This original  
returned to  
operator 1-3-01*

RECLAMATION CONTRACT

---ooOoo---

For the purpose of this RECLAMATION CONTRACT the terms below are defined as follows:

"NOTICE OF INTENTION" (NOI): (File No.) M/023/003  
(Mineral Mined) Bertrandite

"MINE LOCATION":

(Name of Mine)	<u>Topaz Mining Properties</u>
(Description)	<u>Section 31 &amp; 32, T12S R12W SLBM</u>
	<u>Sections 4, 5, 6, 7, 8, 9, 10, 16 and 17</u>
	<u>T13W, R12W SLBM</u>

"DISTURBED AREA":

(Disturbed Acres)	<u>1189.0</u>
(Legal Description)	<u>Exhibit A</u>
	<u>Page 9, Volume III Topaz Mining Properties</u>
	<u>Reclamation Plan</u>
	<u>[Note 1 below.]</u>

"OPERATOR":

(Company or Name)	<u>Brush Wellman Inc.</u>
(Address)	<u>67 West 2950 South</u>
	<u>Salt Lake City, UT 84115</u>
(Phone No.)	<u>801/467-5441</u>

[Note 1] Additional reference to Exhibit A  
Plate 2.0-1 Mine Pit Location and Acreages  
Volume IV Maps and Plates Associated with Topaz Mining Property  
Reclamation Plan

"OPERATOR'S REGISTERED AGENT":

(Name)

(Address)

(Phone No.)

C T Corporation System

50 West Broadway

8th Floor

Salt Lake City, UT 84101

801/364-1228

"OPERATOR'S OFFICER(S)":

C. G. Waite

Vice President and Chief Financial Officer

"SURETY":

(Form of Surety - Exhibit B)

Self Bonding and Indemnity Agreement

"SURETY COMPANY":

(Name, Policy or Acct. No.)

N/A

"SURETY AMOUNT":

(Escalated Dollars)

\$311,300

"ESCALATION YEAR"

2005

"STATE":

State of Utah

"DIVISION":

Division of Oil, Gas and Mining

"BOARD":

Board of Oil, Gas and Mining

EXHIBITS:

Revision Dates:

A "DISTURBED AREA":

B "SURETY":

This Reclamation Contract (hereinafter referred to as "Contract") is entered into between Operator and the Board.

WHEREAS, Operator desires to conduct mining operations under Notice of Intention (NOI) File No. M/023/003 which has been approved by the Division under the Utah Mined Land Reclamation Act, Sections 40-8-1 et seq., Utah Code Annotated, (1953, as amended) (hereinafter referred to as "Act") and implementing rules; and

WHEREAS, Operator is obligated to reclaim the Disturbed Area in accordance with Operator's approved Reclamation Plan and Operator is obligated to provide surety in form and amount approved by the Board, to assure reclamation of the Disturbed Area.

NOW, THEREFORE, the Board and the Operator agree as follows:

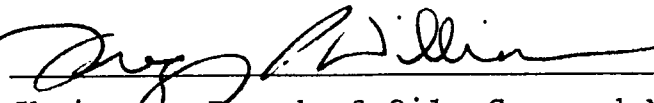
1. Operator agrees to conduct reclamation of the Disturbed Area in accordance with the Act and implementing regulations, the Notice of Intention, and the Reclamation Plan.
2. Concurrent with the execution hereof, Operator has provided surety to assure that reclamation is conducted, in form and amount acceptable to the Board, which surety is in the form of the surety attached hereto as Exhibit B and made a part hereof. The surety shall remain in full force and effect according to its terms unless modified by the Board in writing.
3. Operator agrees to pay public liability and property damage claims resulting from mining as determined by the Board or the Division, to the extent provided in the Act.

4. Operator agrees to perform all duties and fulfill all reclamation requirements applicable to the mine as required by the Act and implementing rules, the Notice of Intention, and the Reclamation Plan.
5. The Operators liability under this Contract shall continue in full force and effect until the Division certifies that the Operator has reclaimed the Disturbed Area in accordance with the Act and implementing rules, the Notice of Intention and the Reclamation Plan.
6. Operator agrees to indemnify and hold harmless the State, Board and Division from any claim, demand, liability, cost charge, suit, or obligation of whatsoever nature arising from the failure of Operator or Operator's agents, and employees, or contractor to comply with this Contract.
7. Operator may, at any time, submit a request to the Board to substitute surety. The Board, in its sole judgment and discretion, may approve such substitution if the substitute surety meets the requirements of the Act and the implementing rules.
8. This Contract shall be governed and construed in accordance with the laws of the State.
9. If Operator shall default in the performance of the obligations heretofore, Operator agrees to pay all costs and expenses, including attorneys fees and costs generated by the Division and/or the Board in this Contract.

10. Any breach of the provisions of this Contract by Operator may, at the discretion of the Division, result in an order to cease mining operations. After opportunity for notice and hearing, the Division, or Board, as appropriate, may revoke the Notice of Intention, order reclamation, or order forfeiture of the Surety, or take such other action as is authorized by law.
11. In the event of forfeiture of the Surety, Operator shall be liable for any additional costs in excess of the surety amount which are required to comply with this contract. Any excess monies resulting from forfeiture of the Surety, upon completion of reclamation and compliance with this Contract, shall be returned to the rightful claimant.
12. This Contract represents the entire agreement of the parties involved, and any modification must be approved in writing by the parties involved.
13. Each signatory below represents that he/she is authorized to execute this Contract on behalf of the named party.

SO AGREED this 3rd day of May, 1989.

APPROVED AS TO FORM AND AMOUNT OF SURETY:

By   
Chairman, Board of Oil, Gas and Mining

DIVISION OF OIL, GAS AND MINING:

By

Director

Dianne R. Nielson

Date

5/3/89

STATE OF Utah )

) ss:

COUNTY OF Salt Lake )

On the 3<sup>RD</sup> day of May, 1989, personally appeared before me, who being by me duly sworn did say that he/she, the said Dianne R. Nielson is the Director of the Division of Oil, Gas and Mining, Department of Natural Resources, State of Utah, and he/she duly acknowledged to me that he/she executed the foregoing document by authority of law on behalf of the State of Utah.

Margaret L. Anderson

Notary Public

Residing at: Salt Lake City, Utah

July 24, 1989

My Commission Expires:

OPERATOR:

Brush Wellman Inc.

By

C. G. Waite

Date

3/3/89

Corporate Officer - Position

Vice President and Chief Financial Officer

STATE OF Ohio )

ss.

COUNTY OF Cuyahoga )

On the 3rd day of March, 19 89, personally appeared before me C. G. Waite who being by me duly sworn did say that he/~~she~~, the said Corporate Officer is the Vice President & Chief Financial Officer of Brush Wellman Inc and duly acknowledged that said instrument was signed on behalf of said company by authority of its bylaws or a resolution of its board of directors and said C. G. Waite, Corp Officer duly acknowledged to me that said company executed the same.

Diane M. Barben  
Notary Public  
Residing at: Cleveland, Ohio

DIANE M. BARBEN  
Notary Public, State of Ohio  
Recorded in Cuyahoga County  
My Comm. Expires 10-23-90

My Commission Expires:



EXHIBIT B

(February 1986)

NONCOAL

State of Utah  
Department of Natural Resources  
Division of Oil, Gas and Mining  
3 Triad Center, Suite 350  
355 West North Temple  
Salt Lake City, Utah 84180-1203  
(801) 538-5340

*Replaced 12-29-  
this original  
returned to  
operator 1-3-200*

SELF BONDING AND INDEMNITY AGREEMENT

This Self Bonding and Indemnity Agreement (hereinafter referred to as "Agreement") entered into by Brush Wellman Inc. (hereinafter referred to as "Brush") and the state of Utah, Department of Natural Resources, Board of Oil, Gas and Mining (hereinafter referred to as "Board"),

WITNESSETH

WHEREAS, Brush has obtained Permit No. M/023/003 from the Division of Oil, Gas and Mining to operate the Topaz Mine in Juab County, Utah as a(n) open-pit beryllium mine under the Mined Land Reclamation Act, Utah Code Annotated, 40-8-1 et seq, 1953, as amended ("Act") and implementing regulations; on the premises specifically described in EXHIBIT A; and

WHEREAS, Brush wishes to obtain a bond to operate a(n) Open-pit beryllium mine under Permit No. M/023/003 under 40-8-14(3); and

WHEREAS, Brush has designated Kenneth R. Poulson, Vice-President, Mining & Exploration, Brush Wellman Inc.

(Name, Title, Address)

67 West 2950 South, Salt Lake City, UT 84115

as its agent for Service of Process in the state of Utah, and

WHEREAS, Brush has been in continuous operation as a business entity for the last five years; and

WHEREAS, Brush meets financial criteria for self bonding (as shown in the ~~attached~~ <sup>attached</sup> financial sheet); and (see Self Bonding Qualification Sheet with Exhibit "B" through "E" attached hereto. sheet); and

WHEREAS, Brush has submitted to the Division of Oil, Gas and Mining and Board financial statements which are accompanied by an audit opinion prepared by Ernst & Whinney <sup>Brush Wellman Inc.</sup> as contained in the <sup>1987</sup> Annual Report (Exhibit "B" to (Accountant's Name) Self Bonding Qualifications Sheet.)

NOW, THEREFORE, in consideration of the premises and other good and valuable consideration, the sufficiency and receipt of which is hereby acknowledged, Brush does hereby agree to be held and bonds to the Board for the sum of \$311,300 for the timely performance of reclamation responsibilities for Topaz Mine, Permit No. M/023/003 in lawful money of the United States. By the submission of this Agreement, Brush will and truly binds itself, its successors and assigns, jointly and severally, by these presents.

The conditions of the above obligations are such that:

1. Brush shall perform all duties and fulfill all requirements applicable to reclamation as set forth in the Act, the regulations adopted pursuant to

the Act and the conditions of the permit to conduct  
open-pit beryllium mining operations, Permit  
No. M/023/003 issued by the Division.

2. The liability <sup>of Brush</sup> under the Agreement is conditioned upon successful reclamation of the permit area as provided in the reclamation plan for Permit No. M/023/003 for a period of time and in the manner specified in the Act, regulations adopted pursuant thereto, and the conditions set forth in Permit No. M/023/003 issued by the Division. At no time shall the liability or responsibility of Brush hereunder exceed the sum of \$311,300. Provided, however, that the Board may adjust the amount of liability hereunder as provided in Section 6 hereof.
3. Brush does hereby agree to indemnify and hold the Board harmless from any claim, demand, liability costs, charge or suit brought by a third party, as a result of Brush's failure to abide by the terms and conditions of the Reclamation Plan as set forth in the mining Permit No. M/023/003 and from any failure to comply with the terms of the Agreement.
4. The Board shall give Brush, or its designated agent herein, notice of any claim and any legal proceedings within the scope of the indemnity set forth at Section 3.

5. Upon successful completion of part or all of the obligations secured hereby, Brush may petition the Board for a final release of part or all of the obligations under this Agreement. Upon such petition, the Division of Oil, Gas and Mining shall conduct an inspection to ascertain whether duties and obligations of Brush under the Act, regulations adopted pursuant thereto and Permit No. M/023/003 have been fulfilled. If such duties and obligations have been fulfilled, the Board shall release Brush from part or all of its obligations under this Agreement and shall file a notice of such release in the property records of Juab County, Utah.
6. This Agreement shall be reviewed periodically by the Division of Oil, Gas and Mining, or reviewed upon petition by Brush in accordance with the Act and implementing regulations and the amount of liability under this Agreement may be adjusted if the Division determines that the cost of future reclamation has materially changed.
7. This Agreement may be terminated upon 90 days prior written notice to the Board if terminated by Brush or upon 90 days prior written notice to Brush if terminated by the Board.

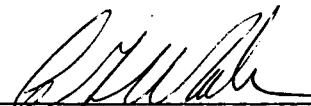
Upon such written notification, Brush  
will have 90 days to obtain an alternate form of bond  
satisfactory to the Division to secure reclamation  
obligations for Permit No. M/023/003 in the same amount  
as stated herein and amendments thereto.

8. Failure to provide a satisfactory alternative form of bond  
will result in the complete cessation of all mining  
operations and the complete reclamation of all disturbed  
areas within the Topaz Mine permit area.
9. Any breach of the provisions of paragraph #8 of this  
agreement will result in the payment of \$ 311,300  
(bond amount) in liquidated damages to the Division.
10. This agreement will be governed and interpreted according  
to Utah law.


SO AGREED this 9<sup>th</sup> day of January,  
19 89.

COMPANY NAME BRUSH WELLMAN INC.

1/9/89  
Date

By  C. G. Waite  
Corporate Officer - Position  
Vice President and Chief Financial Officer

1/9/89  
Date


By  M. C. Hasychak  
Corporate Officer - Position  
Assistant Treasurer, Assistant Secretary

Chairman  
Board of Oil, Gas and Mining

1/26/99  
Date

By   
Gregory P. Williams

APPROVED AS TO FORM:

  
Assistant Attorney General

STATE OF Ohio )  
COUNTY OF Cuyahoga ) ss:

On the 9th day of January, 1989, personally appeared  
before me C. G. Waite and M. C. Hasychak who  
being by me duly sworn did say that he/she, the said

C. G. Waite is the Vice President & Chief Financial Officer of

Brush Wellman Inc. and said M. C. Hasychak is  
the Ass't Treas. & Ass't Secy of Brush Wellman Inc.

and said instrument was signed in behalf of said corporation by  
authority of its bylaws or a resolution of its board of directors  
and said C. G. Waite and M. C. Hasychak duly  
acknowledged to me that said corporation executed the same.

SEAL

  
Notary Public

DIANE M. BARBEN  
Notary Public, State of Ohio  
Recorded in Cuyahoga County  
My Comm. Expires 10-23-90

\_\_\_\_\_  
Notary Public  
Residing at: \_\_\_\_\_

My Commission Expires:

\_\_\_\_\_

STATE OF Utah )  
COUNTY OF Salt Lake ) ss:

On the 26<sup>th</sup> day of January, 1989, personally appeared before me Gregory P. Williams, Esq., who being by me duly sworn did say for him, that he, the said Gregory P. Williams is the Chairman of the Board of Oil, Gas and Mining, Department of Natural Resources, state of Utah, and he duly acknowledged to me that said Board executed the foregoing document by authority of law on behalf of the state of Utah.

Marion L. Anderson  
Notary Public  
Residing at: SLC, Utah

My Commission Expires:

July 24, 1989